

*Ace Engineering, Inc.*

GENERAL ENGINEERING CONTRACTOR

Lic.# 613320

November 17, 2011

Mr. Earl Seaberg
Chief, Office of Contract Awards and Services
Office Engineer
1727 30th Street
Sacramento, CA 95816

Dear Mr. Seaberg,

I would like to take this opportunity to draw your attention to the apparent low bid for contract 09-348004. In accordance with AB X4 21, the State is required to award state funded projects to "the lowest responsible bidder meeting the DVBE contract goal". The apparent low bidder (Las Vegas Paving, LVP) listed only one DGS qualified DVBE, Sambrano Traffic Control, Inc. The item for which Sambrano was listed correlates to bid item 4. Las Vegas Paving's line item price for the same item is \$49,000. The total price for line item #4 equals 2.92% of the contract price. Accordingly, unless LVP's DVBE summary reveals otherwise, they have not met the required 3% goal, and are ineligible for award of the contract.

The third low bidder (Qualcon) should be subject to the same scrutiny of their DVBE summary, as well as their non-small business preference. Qualcon listed two subcontractors for the project: Force Traffic Control, and Safety Striping Service. In accordance with the special provisions of the contract, in order to obtain the small business credit a prime must subcontract "at least 25% to a certified small business". As the total of the line items for which Qualcon is subcontracting only accounts for 9.1% of the bid amount, it does not conform to their request for preference. Consequently, their request for preference should be denied. Furthermore, Qualcon, in listing more than one subcontractor for a specific bid item, violates Public Contract Code Sections 4104, 4105, 4106, and in doing so, certifies that they will self perform this work in lieu of subcontracting.

Should the above mentioned concerns be confirmed, Ace Engineering, Inc. stands ready to accept the award and subsequent approval of contract 09-348004.

Sincerely,

Simon Jeon
Vice President

CORPORATE OFFICE

1880 Wright Ave. La Verne, CA 91750-5824
Tel: (909) 392-4600 • Fax: (909) 392-4990
E-mail: ace@aceengineeringinc.com

PALMDALE OFFICE

227 N. Rosamond Blvd., Bldg. 3533, Edwards AFB, CA 93524-8502
Tel: (661) 258-4540 • Fax: (661) 258-1935
E-mail: palmdale@aceengineeringinc.com

LOMPOC OFFICE

1601 W. Central Ave., Suite D, Lompoc, CA 93436-2735
Tel: (805) 736-6997 • Fax: (805) 736-3387
E-mail: lompoc@aceengineeringinc.com